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The Latino Coalition Strongly Supports Passage of DR-CAFTA

Washington, D.C. – The Board of Directors of The Latino Coalition (TLC) today announced their strong support for the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) and urged Congress to pass this important trade agreement.

"Passage of DR-CAFTA will help keep the American economy growing," said TLC President Robert G. Deposada. "Central America and the Dominican Republic make up the 2nd-largest U.S. export market in Latin America, behind only Mexico. The U.S. exports more than $15 billion annually to the region, making it America's 13th-largest export market worldwide; a larger U.S. export market than Russia, India and Indonesia combined. This agreement will help open new markets for U.S. products and create jobs here in America."

The American Farm Bureau Federation estimates CAFTA could expand U.S. farm exports by $1.5 billion a year. Manufacturers would also benefit, especially in sectors like information technology products, agricultural and construction equipment, paper products, pharmaceuticals, and medical and scientific equipment.

Today, nearly 80% of Central American products already enter the U.S. duty-free, partly because of unilateral preference programs such as the Caribbean Basin Initiative (CBI) and the Generalized System of Preferences (GSP). America's market is already open. CAFTA opens the region's markets to goods, services, and farm products from the United States, helping to protect American jobs and expand business opportunities for U.S. companies.

"Legislators who supported free trade agreements with Morocco and Australia will have to explain why they oppose a trade agreement that most economists agree will help strengthen our economy and our ability to compete against other regions like Asia," Deposada added. "These legislators will have to choose between labor unions and their failed protectionist agenda, or the Hispanic community who strongly favors expanding trade with our region to strengthen all of our economies and promote political stability in the region."

Garment factories in Central America and the Dominican Republic purchase large amounts of fabric and yarn from the United States: the region is the 3rd-largest world market U.S. textile fabrics and yarns. Garments made in the region will be duty-free and quota-free under the Agreement only if they use U.S. fabric and yarn, thereby supporting U.S. exports and jobs. But with the expiration of global quotas on textiles/apparel at the end of 2004, regional producers face a new competitive challenge from Asian imports. CAFTA would provide regional garment-makers – and their U.S. suppliers of fabric and yarn – a critical advantage in competing with Asia.

"DR-CAFTA would also help strengthen our ability to compete with Asia and the rest of the world," said TLC Board Director Sal Gomez, CEO of Source One Management in Denver, Colorado. "When a garment is assembled in Central America, 80% of the raw materials come from the United States. When that same product is made in Asia, only 5% comes from our country. By strengthening the economies of the Dominican Republic and Central America, we will help strengthen our abilities to compete in the global markets and keep jobs in the U.S. We need CAFTA to help keep our economy growing."

The Latino Coalition is a non-profit, non-partisan organization based in Washington, D.C. TLC was established to address policy issues that directly affect the well-being of Hispanics in the United States. TLC's agenda is to develop and promote policies that will foster economic equivalency and enhance overall business, economic, and social development of Hispanics. For more information please visit our website at www.TheLatinoCoalition.com.

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